Modernisation of Vijaya Mohini Mill in Trivandrum

5262. SHRI A. CHARLES: Will the Minister of TEXTILES be pleased to state:

(a) whether the Government of Kerala has submitted any project to the Union Government for the modernisation of the Vijaya Mohini Mills in Trivandrum; and

(b) if so, the details thereof and the stage at which the matter stands?

THE MINISTER OF STATE OF THE MINISTRY OF TEXTILES (SHRI ASHOK GEHLOT): (a) A reference was received from the Minister of Industries & Social Welfare, Government of Kerala, interalia, regarding modernisation of Vijaya Mohini Mills, Trivandrum, a textile unit under National Textile Corporation.

(b) The modernisation scheme of Vijaya Mohini Mills, at an outlay of Rs. 590.75 lakhs, has been approved by the Financial Institutions in December, 1990 and is under implementation.

Loans Disbursed by Banks to Big Business Houses

5263. SHRI MAHESH KANODIA:
SHRI CHETAN P.S. CHAUHAN:
SHRI PRABHU DAYAL KATHERIA:
SHRI DATTATRAYA BANDARU:

Will the Minister of FINANCE be pleased to state:

(a) the amount of loans disbursed by banks to big buisness houses during the last three years, year-wise;

(b) the amount of loans disbursed by banks under the Differential Rate of Interest (DRI) scheme during the above years, year-wise;

(c) the amount of bank loans outstanding separately against big business houses and persons advanced loans under DRI scheme as on June 30, 1991;

(d) the reasons for substantial amount of bad debts in both the categories; and

(e) the steps taken or proposed to be taken by the Government to check these bad debts?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI DALBIR SINGH): (a) to (c). Reserve Bank of India has reported that the amount of outstanding credit of public sector banks for industries, size-wise, and the amount of overdues for the same as at the end of June, 1988, March, 1989 and March, 1990 (latest available) is given below:

Year	Outstanding amount (Rs. in crores)	Overdues
June, 1988	22521	3020
Large & Medium SSI	11492	2312
Total	34013	5332
March, 1989	25926	3667

Year	Outstanding amount (Rs. in crores)	Overdues
Large & Medium SSI	13317	2661
Total	39243	6328
March, 1990	28367	3731
Large & Medium SSI	13467	2761
Total	41834	6492

The number of borrowal accounts and the amount of outstanding advances of public sector banks under the Differential Rate of Interest (DRI) Scheme for the corresponding period was as under:-

Year ended	No. of Accounts (in lakhs)	Amount Outstanding (Rs. in crores)
June, 1988	47.01	624.47
March, 1989	47.67	679.59
March, 1990	42.29	703.59

(d) and (e). Public Sector Banks grant advances to businessmen/industrialists in the normal banking business after assessing their need-based credit requirements. However, there is likelihood that some account/units may become sticky/sick due to factors often beyond the control of the banks. With a view to minimising the incidence of such advances, Reserve Bank of India (RBI) conducts financial inspection of banks regularly. After every inspection the main findings are discussed by RBI with the banks with a view to taking corrective action. The banks also take steps to gear up the internal control machinery and to reduce the sticky/sick advances. The poor recovery of DRI advances is due to various reasons such as purchase of sub-standard assets, increase in household consumption expenditure, inadequate identification of projects, sanction of inadequate finance, lack of supervision and follow up by bank staff, etc. Steps have been taken by RBI and Banks to improve the recovery performance in respect of their advances to different sectors, including DRI. Banks have been advised by RBI to observe one day in a week as non-banking working day for their rural branches. Besides, recovery performance is one of the items which is discussed in the District level and State level meeting of the bankers and Government officials.